

Message Text

UNCLASSIFIED

PAGE 01 CANBER 01486 280753Z

ACTION EB-08

INFO OCT-01 EA-12 ISO-00 COME-00 ITC-01 STR-07 OMB-01

TRSE-00 L-03 H-02 CIAE-00 INR-10 NSAE-00 /045 W

-----059786 280915Z /23

R 280555Z FEB 78

FM AMEMBASSY CANBERRA

TO SECSTATE WASHDC 2544

UNCLAS CANBERRA 1486

E.O. 11652: N/A

TAGS: ETRD, AS

SUBJECT: CUSTOMS DUTIES PAYABLE ON IRRIGATION EQUIPMENT

REF: (A) STATE 046904, (B) CANBERRA 0788, (C) STATE 024025

1. EMBASSY REQUIRES EXPLICIT INFORMATION FROM NELSON IRRIGATION AS TO WHAT EQUIPMENT IT HAS EXPORTED TO AUSTRALIA AND WHEN, TO WHOM IT HAS EXPORTED THIS EQUIPMENT, AND RATE OF DUTY IN EACH CASE, IF KNOWN.

2. REFTEL C REPORTED THAT NELSON UNTIL RECENTLY "WAS FURNISHING THEIR PRODUCT TO SOUTHERN CROSS." NELSON REQUESTED EMBASSY ASSISTANCE BECAUSE GOA HAD ALLEGEDLY BEEN ASKED TO IMPOSE A 26 PERCENT DUTY ON SPRINKLER IMPORTS.

3. EMBASSY DETERMINED THAT STATUTORY DUTY ALL ALONG HAS BEEN 26 PERCENT, BUT THAT THERE HAD BEEN A BY-LAW GRANTED BY CUSTOMS WHICH PERMITTED IMPORT AT ZERO DUTY AS LONG AS THERE WERE NO COMPETING LOCALLY MADE PRODUCTS. CUSTOMS WITHDREW THE BY-LAW, AS REPORTED IN REFTEL B.

4. IN FOLLOWING UP REFTEL A WITH BY-LAW BRANCH, DEPARTMENT OF BUSINESS AND CONSUMER AFFAIRS, EMBASSY HAS NOW BEEN GIVEN THE PUZZLING INFORMATION THAT SOUTHERN CROSS HAS NEVER IMPORTED NELSON SPRINKLERS UNDER BY-LAW. IT SEEMS THAT FOR COMMONLY IMPORTED

UNCLASSIFIED

PAGE 02 CANBER 01486 280753Z

ITEMS A GENERAL BY-LAW IS ISSUED WHICH PERMITS PRODUCT TO BE IMPORTED DUTY-FREE BY ALL IMPORTERS. IN CASE OF INFREQUENTLY IMPORTED ITEMS, LIKE SPRINKLERS, BY-LAW MUST BE APPLIED FOR EACH TIME. SINCE SOUTHERN CROSS HAS NEVER MADE SUCH AN APPLICATION, ANY NELSON SPRINKLERS EXPORTED TO SOUTHERN CROSS MUST HAVE PAID A 26 PERCENT DUTY (UNLESS A CUSTOMS INSPECTOR MADE A MISTAKE OR UNLESS BY-LAW APPLICATION WAS MADE BY AN AS-YET-UNNAMED AGENT OF

NELSON)

5. AS TO NELSON'S FUTURE ACTIONS, BY-LAW BRANCH OFFICER ADVISED THAT IMPORTER OF NELSON PRODUCTS OUGHT TO BE THE ONE TO FILE ANY BY-LAW REQUEST. HOWEVER, THE LOCAL PRODUCT, THOUGH LESS ADVANCED THAN NELSON PRODUCT, WILL PROBABLY BE JUDGED "SUITABLY EQUIVALENT" AND "REASONABLY AVAILABLE," SO THAT BY-LAW WILL NOT BE RESTORED. PROTEST(S) RECEIVED EARLIER (REF B), WHICH WERE NOT FOLLOWED UP ON, HAVE BEEN SET ASIDE ON THIS BASIS.

6. EMBASSY WOULD LIKE TO POINT OUT IN CONNECTION WITH BY-LAWS THE IMPORTANCE OF DISTINGUISHING BETWEEN HIGH AVERAGE LEVEL OF AUSTRALIAN DUTIES AND AN INCREASE IN PROTECTION. WHEN AUSTRALIAN CUSTOMS ISSUES A BY-LAW WAIVING A STATUTORY RATE OF DUTY, IT WOULD BE ILLOGICAL TO CHARACTERIZE THIS AS A REDUCTION IN PROTECTION. BUT BY THE SAME TOKEN, IF INSTITUTION OF A BY-LAW DOES NOT CONSTITUTE A REDUCTION IN PROTECTION, THEN RESTORATION OF STATUTORY RATE DOES NOT CONSTITUTE AN INCREASE IN PROTECTION. THIS IS SO DESPITE THE OBVIOUS FACT THAT IMPACT ON FOREIGN EXPORTERS MAY BE SEVERE BECAUSE OF TYPICAL HIGH AUSTRALIAN STATUTORY DUTY.

7. WITH RESPECT TO PARA 3 OF REFTTEL A, BY-LAW BRANCH ADVISES THAT CONSIDERATION WILL BE GIVEN TO BY-LAW EXTENSION TO COVER NELSON PRODUCTS ORDERED PRIOR TO ELIMINATION OF BY-LAW IF IT INVOLVES FIRM ORDERS IN AUSTRALIA. AN IMPORT ORDER BY AN AGENT UNCLASSIFIED

UNCLASSIFIED

PAGE 03 CANBER 01486 280753Z

WOULD NOT BE CONSIDERED A FIRM ORDER; A BINDING SALE BY THE AGENT TO ANOTHER PARTY AT A FIXED PRICE WOULD BE.
ALSTON

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CUSTOMS DUTIES, IRRIGATION, EQUIPMENT
Control Number: n/a
Copy: SINGLE
Draft Date: 28 feb 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978CANBER01486
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780091-0452
Format: TEL
From: CANBERRA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t1978025/aaaaadwe.tel
Line Count: 97
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 5ec9f2d8-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 78 STATE 46904, 78 CANBERRA 788, 78 STATE 24025
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3580591
Secure: OPEN
Status: NATIVE
Subject: CUSTOMS DUTIES PAYABLE ON IRRIGATION EQUIPMENT
TAGS: ETRD, AS
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/5ec9f2d8-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014